

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Letter to Accompany MOU to OPM

FROM:

NO.

DATE

21 DEC 1987

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TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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1.

To 5: .

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Attached for your signature is a letter to Jean Barber, OPM, transmitting the umbrella MOU on retirement administration that was signed by [] last week.

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Central Intelligence Agency



Washington, D.C. 20505

Jean M. Barber
Associate Director,
Retirement and Insurance Group
Office of Personnel Management
900 E. Street N.W.
Washington, DC 20415

Dear Ms. Barber:

I am forwarding for your review a Memorandum of Understanding (MOU) between our agencies that formalizes understandings which have been in effect regarding retirement functions that the Central Intelligence Agency (CIA) will administer internally under the FERS Act of 1986. The MOU, worked out by members of our respective staffs, has been signed by [redacted] the Executive Director of the CIA on behalf of the Director of Central Intelligence. It awaits the signature of the Director or Deputy Director of Office of Personnel Management to become effective.

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Once approved, the MOU will become the umbrella under which the CIA will process retirement requests under the Civil Service Retirement System and under the Federal Employees Retirement System. Supplemental MOUs will address specific aspects of our internal administration of these retirement systems. Some of the issues to be addressed in subsequent memoranda include specific activities which we will assume, procedures for the transfer of funds between our agencies, and the manner in which audits will occur.

I appreciate the support that your staff members have provided to our Retirement Division as we have begun the process of administering these retirement systems. The past year has been a learning experience for us and we are still trying to determine in some areas the best way to protect the identities of our employees. We will continue to seek the advice and assistance of your staff members in this new endeavor.

If you or your staff have any questions about the MOU, please contact [redacted]

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Sincerely,

Hugh E. Price
Director of Personnel

ADD/EBS/OP, [redacted] (21 Dec 87)

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Distribution:

- Orig - To Addressee
- 1 - D/Pers
- 1 - DD/EBS



United States
**Office of
Personnel Management**

Washington, D.C. 20415

In Reply Refer To

Your Reference

Hugh E. Price
Director of Personnel
Central Intelligence Agency
Washington, DC 20505

MAR 4 1988

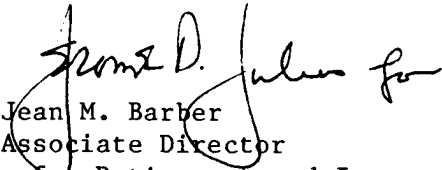
Dear Mr. Price:

The Director of the Office of Personnel Management has agreed to and signed the enclosed Memorandum of Understanding formalizing our agreement on the administration of the Civil Service and Federal Employee Retirement Systems for CIA employees.

As stated in your December 23, 1987, transmittal, the signed agreement provides an umbrella under which subordinate memoranda of understanding can be developed to implement specific activities. We are now at the point where our respective staffs can complete work on the draft financial subordinate agreement and begin work on the operational subordinate agreement. Please have your designated staff person contact Mr. Dan Green on 653-8733 to arrange the necessary meetings.

I look forward to our continuing to work together for the effective implementation of this section of the Federal Retirement System Act of 1986.

Sincerely,


Jean M. Barber
Associate Director
for Retirement and Insurance

Enclosure

Agreement Between the
Office of Personnel Management
and the
Central Intelligence Agency

Purpose: The purpose of this memorandum is to formalize existing understandings between the Office of Personnel Management (OPM) and the Central Intelligence Agency (CIA) regarding the administration of the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS), as these systems apply to employees of the CIA.

Background: The FERS Act of 1986 contained provisions designed to improve security protection afforded CIA employee identities, intelligence sources, methods, and activities. These provisions amended Title 5, United States Code, through addition of a new subsection 8347(n) and a new section 8461, applicable respectively to the administration of the CSRS and FERS.

Methodology: This agreement between the two agencies will outline in general terms both agencies' responsibilities, obligations, and duties. It will be supported by separate subordinate Memoranda of Understanding, which are consistent with the content and scope of this primary memorandum and which address such matters as operating relationships and financial management. Authority to approve these subordinate memoranda may be delegated. No agreements with respect to retirement matters will be executed or entered into by the CIA without the approval or concurrence of CIA's Director of Personnel and/or his designee.

A complete unclassified listing of each such supplementary memorandum will be filed with and noted on the record copies of this Memorandum of Understanding, and updated as necessary.

Discussion: This Memorandum reaffirms the understanding between CIA and OPM. To the extent permitted by law and not expressly excluded by this Memorandum or any subsequent Memoranda of Understanding, the Director of Central Intelligence (DCI) has elected to exercise the legislated authority, effective 1 January 1987, to administer all CSRS and FERS provisions and related functions and duties as they apply to all current and future CIA employees and those annuitant beneficiaries becoming eligible for such benefit payments on and after 1 January 1987.

CIA's current CSRS and FERS regulations, developed in consultation with OPM, specify the primary policies, authorities, responsibilities, and general procedures for the administration of CSRS and FERS functions applicable to employees and annuitant beneficiaries of the CIA. CIA will consult with OPM should circumstances require substantial revisions of existing CIA retirement regulations, procedures, or processes.

In a manner consistent with the DCI's responsibility to protect identities, intelligence sources, methods, activities, and sensitive intelligence data from unauthorized disclosure, the CIA's policies and procedures for determining entitlements will be consistent with those of OPM in the administration of CSRS and FERS. If the CIA determines that it must depart in a significant manner from OPM's policies and procedures for determining retirement

entitlements, the CIA will notify OPM of such a determination. Any such notification will be in a manner consistent with the DCI's responsibilities as outlined earlier in this paragraph.

Other Duties and Responsibilities: CIA will conduct periodic internal inspections and audits of CSRS and FERS retirement processing and disbursements. In a manner consistent with the DCI's previously stated responsibility to protect identities, intelligence sources, methods, activities, and sensitive intelligence data, internal inspections and audit reports concerning disbursements from the Retirement Fund and entitlement determinations relating to such will be subject to review by OPM personnel who have appropriate program responsibilities and security clearances. Subject to the same conditions, such internal inspections may be supplemented by independent reviews of those disbursements and entitlement determinations conducted by security cleared OPM personnel. In the same manner, CIA program officials will comply with all reasonable audit recommendations.

In a manner consistent with the DCI's responsibilities cited in the preceding paragraph, CIA will provide OPM with statistical reports on CSRS and FERS financial and administrative activities related to disbursements from the Fund. The content and frequency of reports will be described in the supplemental agreements.

To the extent provided for in Title 5, OPM will furnish such information and, on a reimbursable basis, such support services as may be requested by CIA to carry out its functions and duties with respect to administration of the CSRS and FERS for current and future Agency employees and those annuitant beneficiaries becoming eligible for retirement benefits. The information, services, and charges will be agreed upon by representatives of each agency.

OPM will provide on request any retained prior Federal service records and related documents applicable to CIA employees.

OPM will effect disbursements of monies from the CSRS Fund to the CIA in reimbursement of expenditures, properly chargeable to the Fund, incurred by CIA in the administration of CSRS and FERS. Documentation of expenses and payments will be described in the supplemental agreement on financial activities.


In the event that there is some significant change in circumstance and the DCI determines it is no longer appropriate to exercise the authority regarding specific retirement functions and duties enumerated in Title 5, U.S. Code, CIA will notify OPM of such intent and consult with OPM on the mechanisms and timing of the transfer of functions. Such notification and consultation will be in a manner consistent with the DCI's responsibilities to protect identities, intelligence sources, methods, activities, and sensitive intelligence data.

Changes: Modifications and revisions of existing operating procedures and the establishment of new procedures related to the administration of FERS and CSRS will be jointly developed and agreed to by appropriate officials of OPM and CIA as the need arises and to assure the currency and adequacy of such procedures. Major modifications and/or major new procedures should be reflected in the appropriate supplementary Memoranda of Understanding.

This Memorandum of Understanding will continue in effect until terminated by either agency giving six months advance written notice. The advance notice may be waived in whole or in part only if agreed to in writing by both agencies.

Approvals:

Approved for the Office of Personnel Management



Director, Office of Personnel Management

FEB 18 1988
Date

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Approved for the Central Intelligence Agency



Executive Director, Central Intelligence Agency

14 Dec 1987
Date

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